

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 557 – HB 1291

March 8, 2017

SUMMARY OF ORIGINAL BILL: Removes the Alcoholic Beverage Commission's (ABC) authorization to enforce Tenn. Code Ann. § 39-17-417(g), violations involving schedule VI controlled substances classified as marijuana.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Recurring funding estimated to be \$130,000 per year will remain with the Tennessee Bureau of Investigation, rather than being submitted to the Alcoholic Beverage Commission, to cover expenditures associated with certain controlled substance violations.

SUMMARY OF AMENDMENT (004045): Changes the effective date for the legislation from July 1, 2017, to January 1, 2018.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – Funding estimated to exceed \$65,000 in FY17-18 and estimated to exceed \$130,000 in FY18-19 and subsequent years will remain with the Tennessee Bureau of Investigation, rather than being submitted to the Alcoholic Beverage Commission, to cover expenditures associated with certain controlled substance violations.

Assumptions for the bill as amended:

- ABC currently participates in the Governor's Taskforce on Marijuana Eradication (Taskforce).
- According to the ABC, funds are currently transferred from the Tennessee Bureau of Investigation (TBI) for reimbursement of expenditures incurred related to enforcement of controlled substances violations.
- Based on information provided by ABC, the reimbursement amounts were \$242,055 in FY14-15 and \$136,996 in FY15-16.

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- Removing ABC's authorization will result in the discontinuance of funds being transferred from the TBI to the ABC to cover such expenses. These recurring amounts are reasonably estimated to exceed \$130,000 annually.
- Due to the proposed effective date of January 1, 2018, the impact for FY17-18 is estimated to be 50 percent of the first full-year impact, or an amount estimated to exceed \$65,000 (\$130,000 x 50.0%).
- It is assumed that TBI will begin enforcing the controlled substances violations under the provisions of this bill that are currently enforced by the ABC as a result of the TBI retaining the funding associated with the enforcement expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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